

Message Text

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10

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 PA-03 PRS-01 USIA-12 L-03 H-02 SCEM-02 RSR-01

/171 W

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R 291550 Z MAY 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 1387

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE THE HAGUE 2434

E. O. 1165 2: N/A

TAGS: EGEN, ENRG, ETRD, NL

SUBJECT: INITIAL CALL ON MINISTER OF ECONOMIC AFFAIRS

LUBBERS

1. I MADE MY INITIAL (AND PRESUMABLY MY FINAL) CALL ON THE
NEW MINISTER OF ECONOMIC AFFAIRS, RUUD LUBBERS, ON MAY 23.
AS I HAD NOT MET HIM BEFORE I WAS INTERESTED TO SEE HOW HE
LIVED UP TO HIS RATHER CONTRADICTORY ADVANCE BILLING AS A
BRILLIANT YOUNG (34) ECONOMIST AND BUSINESSMAN, SYMPATHETIC
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TO LABOR ASPIRATIONS AND IN THE LEFT WING OF THE CATHOLIC PARTY, BUT A TOUGH NEGOTIATOR FOR THE CATHOLIC EMPLOYERS FEDERATION.

2. HE GREETED ME IN A CORDIAL AND OPEN FASHION AND IN PERFECT ENGLISH. HE READILY AGREED WITH MY OPENING REMARK THAT THERE ARE NO SIGNIFICANT BILATERAL ECONOMIC ISSUES BETWEEN OUR TWO COUNTRIES AT THIS TIME.

3. I WENT ON TO SAY, HOWEVER, THAT THERE ARE PLENTY OF US/ EC ISSUES WHICH WILL INEVITABLY INVOLVE SUBSTANTIAL DIALOGUE BETWEEN THE EMBASSY AND HIS MINISTRY IN THE MONTHS AHEAD. IN RECOGNITION OF THE SHORTAGE OF OIL AND LUBBERS' NECESSARILY LIMITED AWARENESS OF THE NUTS AND BOLTS OF SUCH PROBLEMS AS THE ARTICLE 24:6 NEGOTIATIONS AND EC PREFERENTIAL ARRANGEMENTS, I FOCUSED ON THE TWO ISSUES WITH WHICH I UNDERSTOOD HE HAD HAD A CHANCE TO BECOME GENERALLY FAMILIAR, I. E. PREPARATIONS FOR THE MTN AND THE ENERGY PROBLEM.

4. ON MTN I CONCENTRATED ON OUR CONCEPT OF OVERALL RECIPROCITY. I SAID THAT WE ARE READY TO GIVE AS MUCH AS WE GET IN THE NEGOTIATIONS BUT THAT THERE WOULD BE LITTLE SCOPE FOR WORTH-WHILE HORSETRADING UNLESS THE EC IS READY TO MAKE SOME CONCESSIONS IN THE AGRICULTURAL SECTOR. I MENTIONED FEEDGRAINS AND CITRUS AS PRODUCTS OF PARTICULAR IMPORTANCE TO US IF WE ARE TO MOVE TOWARD A FREER TRADING WORLD BASED ON THE PRINCIPLE OF COMPARATIVE ADVANTAGE.

5. LUBBERS READILY AGREED TO THE THRUST OF MY PRESENTATION. HE REAFFIRMED DUTCH DEVOTION TO FREE TRADE AND TO THE IMPORTANCE OF A CONSTRUCTIVE DIALOGUE BETWEEN THE EC AND US. HE ACKNOWLEDGED THAT THE CAP HAS A TRADE DISTORTING EFFECT AS DEMONSTRATED BY THE RECENT BUTTER FIASCO.

6. ON ENERGY, LUBBERS AGREED WITH MY OBSERVATION THAT OPEC UNITY AND MILITANCY, THOUGH NOT UNIFORM, POSES A TREMENDOUS THREAT TO THE CONTINUITY OF ENERGY SUPPLY IN THE FREE WORLD. FRESH FROM THE EC COUNCIL MEETING ON ENERGY THE PRECEDING DAY, HE EXPRESSED THE VIEW THAT WHILE A PUGNACIOUS UNITED CONSUMER FRONT AGAINST OPEC WOULD BE SELF- DEFEATING, THERE MUST BE MUCH MORE COOPERATION AMONG THE CONSUMING NATIONS TO MAKE OPTIMUM LIMITED OFFICIAL USE

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USE OF THE SUPPLIES AVAILABLE AND FIND FUTURE SOLUTIONS. HE SAW SOME DANGER THAT JAPAN AND FRANCE MAY BREAK RANKS FROM THIS COOPERATIVE STRUCTURE BUT FELT THAT WE SHOULD PRESERVE WHAT UNITY WE CAN TO PREVENT OPEC FROM PLAYING US OFF ONE AGAINST THE OTHER.

7. COMMENT. TO SOME EXTENT THIS BRIEF ENCOUNTER TENDED TO

CONFIRM THE REPORTED CONTRADICTIONS IN LUBBERS' S POSTURE.
EVERYTHING HE SAID TO ME WOULD HAVE SOUNDED PERFECTLY NATURAL
COMING FROM HIS CONSERVATIVE PREDECESSOR HARRI LANGMANS. YET
HIS FEW PUBLIC STATEMENTS TO DATE HAVE HAD A MORE LEFT WING
SOUND TO THEM. MY HOPE AND BELIEF IS THAT HE WILL TALK LEFT
IN PUBLIC BUT CONDUCT HIS PORTFOLIO SENSIBLY AND CONSTRUCTIVELY.
DESPITE HIS YOUTH AND POLITICAL INEXPERIENCE I THINK HE WILL PROVE
A DECEPTIVE, SUBTLE AND TOUGH MINISTER, AND ONE WHO WILL NOT
SHRINK FROM SUPPORTING OUR POSITIONS WHEN THEY PARALLEL HIS OWN.
HE APPEARS UNDOGMATIC AND OPEN TO NEW IDEAS. WE MUST ENSURE THAT
HE IS FULLY BRIEFED ON OUR POSITIONS AS WE GET DEEPER INTO THE
TRADE NEGOTIATIONS AND THAT WE MAKE COMMON CAUSE WITH HIM WHENEVER
WE CAN. OUR CLOSE RELATIONS WITH HIS CIVIL SERVICE ADVISORS
(WHO REMAIN UNCHANGED AS OF NOW) SHOULD PROVE A GREAT ASSET IN
THIS EFFORT.
MIDDENDORF

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NMAFVVZCZ

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*** Current Classification *** LIMITED OFFICIAL USE

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BRUSSELS
COPENHAGEN
DUBLIN
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